

**Fire Protection District Five
of Livingston Parish, Louisiana**

Annual Financial Statements

As of and for the Years Ended December 31, 2010 and 2009

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Annual Financial Statements
As of and for the Years Ended December 31, 2010 and 2009
With Supplemental Information Schedules

TABLE OF CONTENTS

	Statement	Page
Independent Auditor's Report on the Financial Statements		4
Required Supplemental Information (Part I):		
Management's Discussion and Analysis		7
Basic Financial Statements		
Government-Wide Financial Statements:		
Statement of Net Assets	A	15
Statement of Activities 2010	B	16
Statement of Activities 2009	B	17
Governmental Funds Financial Statements:		
Balance Sheet 2010	C	19
Balance Sheet 2009	C	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 2010	D	21
Statement of Revenues, Expenditures, and Changes in Fund Balances 2010	E	22
Statement of Revenues, Expenditures, and Changes in Fund Balances 2009	E	23
Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities 2010	F	24
Notes to the Financial Statements		26

Required Supplemental Information (Part II):	Schedule	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual - General Fund 2010	1	40
Other Reports:		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		42
Other Supplemental Information:		
Schedule of Current Year Findings and Responses		45
Schedule of Prior Year Findings and Responses		47



INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Commissioners of
Livingston Parish Fire Protection District Five
Denham Springs, Louisiana

We have audited the accompanying basic financial statements of the governmental activities of Livingston Parish Fire Protection District Five, a component unit of the Livingston Parish Council, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Livingston Parish Fire Protection District Five's basic financial statements, as listed in the Table of Contents. These basic financial statements are the responsibility of Livingston Parish Fire Protection District Five's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Livingston Parish Fire Protection District Five, as of December 31, 2010 and 2009, and the changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011, on our consideration of the Livingston Parish Fire Protection District Five's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, required supplementary information parts I and II, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The Other Supplemental Information listed in the Table of Contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Livingston Parish Fire Protection District Five. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Malcolm M. Dienes, LLC

June 30, 2011

Required Supplemental Information (Part 1)

Management's Discussion and Analysis

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Management's Discussion and Analysis
December 31, 2010

This section of the Livingston Parish Fire Protection District Five's (the District) annual financial report represents our discussion and analysis of the District's financial activities for the year ended December 31, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the detailed financial statements.

The Management's Discussion and Analysis (MD&A) is required by the Government Accounting Standards Board (GASB).

FINANCIAL HIGHLIGHTS

- *Net Assets on December 31, 2010 and 2009 was \$2,613,612 and \$2,461,362, respectively.
- *The Net Assets of the Governmental Activities for the year ended December 31, 2010 showed an increase of \$152,250 which represents an increase of 6.2% increase.
- *The total General Fund balance at December 31, 2010 and 2009 was \$1,240,687 and \$1,225,473, respectively. This reflects an actual increase in 2010 to the general fund of \$15,214 or 1.2%.
- *The total Unrestricted General Fund balance of \$1,240,687 represents 130% of current year total General Fund Expenditures.
- *The District had a 4.92% increase in the amount of General Fund ad valorem tax revenue in 2010 as compared to 2009. This increase is due to the economic growth in the area. The ad valorem tax revenue in the General Fund totaled \$748,924 in 2010 and \$713,745 in 2009 representing 77.50% in 2010 and 70.61% in 2009 of the total General Fund revenues.

OVERVIEW OF 2010 OPERATIONS

For the year 2010 there were 1,433 calls including 187 fire calls, 976 rescue calls, 32 hazardous condition calls, 104 good intent calls and 134 false calls. The average number of calls per month for the year was 119. The overall average response time to structure fires was 7.24 minutes. There were 13 mutual aid calls given (8 fire, 3 medical, and 2 MVA) and 15 mutual aid calls received (9 fire, 6 medical). The average number of members responding to structure fires was 11. The estimated dollar loss on the structure fires was \$1,820,185, while the total estimated value of the structures saved was \$4,430,500.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Management's Discussion and Analysis
December 31, 2010

The average number of support personnel for the year was 97 including three full time employees. The educational staff conducted 394 classes for a total of 1,150 hours of instruction. The total number of man hours of attendance was 4,072 hours.

The District has one main station and three neighborhood stations. At year end, the District's fire and rescue vehicle fleet totaled 21 vehicles including 2 ladder trucks, 6 engines, 3 tankers, 7 rescue/service trucks, 1 air truck, 1 grass rig truck and 1 safety house. For the year, the fleet vehicles were available for a total of 183,960 hours with 2,427 hours of total downtime for major maintenance. The support personnel were deployed for alarmed responses a total of 3,864 hours.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the District. The District's basic financial statements are comprised of three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to the financial statements.

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Assets and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued but unpaid interest).

The government-wide financial statements can be found on pages 15 - 17 of this report.

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Management's Discussion and Analysis
December 31, 2010

financial-related legal requirements. All of the funds of the District are governmental type funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained two individual governmental funds, the General Fund and the Debt Service Fund. Upon final payment of the General Obligation Bonds in March of 2009, the Debt Service Fund was eliminated.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget act.

The basic governmental fund financial statements can be found on pages 19 - 24 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 – 38 of this report.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Management's Discussion and Analysis
December 31, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET ASSETS

The following is a schedule of the District's net assets at December 31, 2010 and 2009. Net assets are calculated by taking the difference between the total assets and total liabilities. The District's assets exceeded its liabilities at the close of 2010 and 2009, by a total of \$2,613,612 and \$2,461,362 respectively.

Condensed Statement of Net Assets

	<u>2010</u>	<u>2009</u>	Increase (Decrease)
Cash and Cash Equivalents	\$ 436,023	\$ 505,854	\$ (69,831)
Investments	147,929	146,300	1,629
Receivable, Net of Allowances	745,007	674,094	70,913
Other Assets	35	35	-
Capital Assets, Net of Depreciation	<u>1,503,750</u>	<u>1,421,499</u>	<u>82,251</u>
Total Assets	2,832,744	2,747,782	84,962
Current Liabilities	146,398	156,459	(10,061)
Non-current Liabilities	<u>72,734</u>	<u>129,961</u>	<u>(57,227)</u>
Total Liabilities	219,132	286,420	(67,288)
Net Assets:			
Invested in Capital Assets,			
Net of Related Debt	1,373,737	1,236,985	136,752
Unrestricted	<u>1,239,875</u>	<u>1,224,377</u>	<u>15,498</u>
Total Net Assets	<u>\$ 2,613,612</u>	<u>\$ 2,461,362</u>	<u>\$ 152,250</u>

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Management's Discussion and Analysis
December 31, 2010

STATEMENT OF ACTIVITIES

The District provides fire protection services, education activities, and programs for the area citizens. Most of the funding for the District's operation and maintenance is provided by property taxes.

Property taxes are the largest source of revenue for the District. The District collects 9.14 mills for operations and maintenance of equipment. The operation and maintenance millage must be renewed every ten years. The current millage expires in 2014.

Other sources of revenue for the District include State Revenue Sharing, Fire Commissions, Donations, Federal Grants and Interest on investments. The following chart shows the major source of revenues and expenses.

Condensed Statement of Activities

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Revenues:			
General Revenues	\$ <u>966,301</u>	\$ <u>1,014,271</u>	\$ <u>(47,970)</u>
	966,301	1,014,271	(47,970)
Expenses:			
Fire Protection	577,999	518,337	59,662
Interest Expense	8,258	12,562	(4,304)
Depreciation Expense	<u>227,794</u>	<u>205,073</u>	<u>22,721</u>
	<u>814,051</u>	<u>735,972</u>	<u>78,079</u>
Change in Net Assets	\$ <u><u>152,250</u></u>	\$ <u><u>278,299</u></u>	\$ <u><u>(126,049)</u></u>

REVENUES

- Total property tax revenue increased \$33,095 or 4.62% from the previous year. This increase was a direct result of the increase in the assessed values of the property within the District. Property tax revenues represent 77.50% of the District's total revenues in 2010 and 70.58% in 2009.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Management's Discussion and Analysis
December 31, 2010

- The District received \$5,000 in grant revenues in 2010 for equipment, and received reimbursements from Homeland Security for expenses and equipment utilized during Hurricane Gustav in the amount of \$27,606. In 2009, the District received no grant revenues but did receive \$124,500 from Homeland Security because of Hurricane Gustav expenses.
- The remaining revenues remained consistent with prior years.

EXPENSES

Total expenses increased by approximately \$78,000 or 10.61%. This increase was because of the following:

- Increase of approximately \$40,500 in supplies caused by the increased purchase of various firefighting supplies in 2010.
- Increase in depreciation expense of \$23,000 due to the purchase of equipment in the previous year.
- Decrease of approximately \$25,600 in operating services due to increase in uniforms and gear that was purchased in 2009
- Increase of approximately \$50,000 in salaries and benefits due to increase in pay and adding one full-time employee, also extra wages were paid because of a hazardous material fire during 2010 within the District.

BUDGETARY HIGHLIGHTS

- In 2010, the District exceeded its revenue final budget by \$90,701 with the majority of this favorable variance caused by the increased property tax revenues of \$78,924.
- Total expenditures were less than the final amended budget by \$32,746 or 3.33%.

CAPITAL ASSETS

The District's investment in capital assets as of December 31, 2010 was \$1,503,750 (net of accumulated depreciation). This investment in capital assets includes land, buildings and

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Management's Discussion and Analysis
December 31, 2010

improvements, and machinery and equipment. The total increase in the District's investment in capital assets for 2010 was \$82,251. This was caused by additions of \$310,456 and reductions caused by depreciation expense of \$228,205.

LONG-TERM DEBT

At the end of 2010, the District had a capital lease outstanding in the amount of \$66,443, and a note payable for the HME truck outstanding in the amount of \$63,570. The debt is secured by the general revenues of the District.

Additional information on the long-term debt activity in 2010 can be found in Note 9 of this report.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens and creditors with a general overview of the District's finances and reveal the District's accountability for the money received through its operations. If there are any questions about this report or need of additional financial information, contact Board Secretary, James Lieux, 24910 Arlington Avenue, Denham Springs, LA 70726.

Basic Financial Statements
Government-Wide Financial Statements

Statement A

Livingston Parish Fire Protection District Five
Statement of Net Assets
As of Years Ended December 31, 2010 and 2009

Assets		
<i>Current Assets</i>	2010	2009
Cash & Cash Equivalents	\$ 436,023	\$ 505,854
Certificates of Deposit (With Maturities Greater than Ninety Days)	147,929	146,300
Taxes Receivable (Net)	744,539	673,262
Other Receivable	468	832
Total Current Assets	1,328,959	1,326,248
<i>Noncurrent Assets</i>		
Plant, Property and Equipment (Net)	1,503,750	1,421,499
Total Noncurrent Assets	1,503,750	1,421,499
<i>Other Assets</i>		
Utility Deposits	35	35
Total Assets	2,832,744	2,747,782
Liabilities		
<i>Current Liabilities</i>		
Accounts Payable - Vendors	47,193	74,849
Payroll Taxes Payable	4,384	4,692
Accrued Interest Payable	812	1,096
Deferred Revenue	36,730	21,269
Obligations Under Capital Lease	15,418	14,685
Current Portion of HME Truck Note Payable	41,861	39,868
Total Current Liabilities	146,398	156,459
<i>NonCurrent Liabilities</i>		
Obligation Under Capital Lease	51,025	66,443
HME Truck Note Payable	21,709	63,518
Total NonCurrent Liabilities	72,734	129,961
Total Liabilities	219,132	286,420
Net Assets		
<i>Net Assets</i>		
Invested in Capital Assets, Net of Related Debt	1,373,737	1,236,985
Unrestricted	1,239,875	1,224,377
Total Net Assets	\$ 2,613,612	\$ 2,461,362

The accompanying notes are an integral part of these financial statements.

Livingston Parish Fire Protection District Five
Statement of Activities
For the Year Ended December 31, 2010

		Program Revenues	Program Revenues	Net Revenue (Expense) and Changes in Net Assets
	Expenses	Operating Grants	Capital Grants	Governmental Activities
<i>Expenses</i>				
Governmental Activities - Fire Protection				
Personal Services and Benefits	\$ 180,833	\$ -	\$ -	\$ 180,833
Operating Services	294,519	-	-	294,519
Professional Fees	22,878	-	-	22,878
Supplies	60,856	-	-	60,856
Bad Debt Expense	17,516	-	-	17,516
Interest	8,258	-	-	8,258
Miscellaneous	901	-	-	901
Equipment Rental	496	-	-	496
Depreciation Expense	227,794	-	-	227,794
Total Fire Protection Expenses	\$ 814,051	\$ -	\$ -	814,051
<i>General Revenues</i>				
Ad Valorem Taxes				748,924
State Revenue Sharing				77,358
Fund Drive				44,991
Fire Insurance Commission				38,144
State Supplemental Pay				17,654
Interest				4,859
State Grant Revenue				5,000
Miscellaneous				1,765
Total General Revenues				938,695
<i>Special Items</i>				
Homeland Security Reimbursement				27,606
Total Special Items				27,606
Total General Revenue and Special Items				966,301
Increase in Net Assets				152,250
Net Assets, Beginning of Year				2,461,362
Net Assets, End of Year				\$ 2,613,612

The accompanying notes are an integral part of these financial statements.

Statement B

Livingston Parish Fire Protection District Five
Statement of Activities
For the Year Ended December 31, 2009

		Program Revenues	Program Revenues	Net Revenue (Expense) and Changes in Net Assets
	Expenses	Operating Grants	Capital Grants	Governmental Activities
<i>Expenses</i>				
Governmental Activities - Fire Protection				
Personal Services and Benefits	\$ 130,411	\$ -	\$ -	\$ 130,411
Operating Services	320,175	-	-	320,175
Professional Fees	25,923	-	-	25,923
Supplies	20,415	-	-	20,415
Bad Debt Expense	18,414	-	-	18,414
Interest	12,562	-	-	12,562
Miscellaneous	850	-	-	850
Equipment Rental	2,149	-	-	2,149
Depreciation Expense	205,073	-	-	205,073
Total Protection Expenses	\$ 735,972	\$ -	\$ -	735,972
<i>General Revenues</i>				
Ad Valorem				715,829
State Revenue Sharing				77,072
Fund Drive				37,907
Fire Insurance Commission				38,141
State Supplemental Pay				12,050
Interest				8,510
Miscellaneous				262
Total General Revenues				889,771
<i>Special Items</i>				
Homeland Security Reimbursement				124,500
Total Special Items				124,500
Total General Revenue and Special Items				1,014,271
Increase in Net Assets				278,299
Net Assets, Beginning of Year				2,183,063
Net Assets, End of Year				\$ 2,461,362

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements

Fund Financial Statements

Governmental Fund Financial Statements

Statement C

Livingston Parish Fire Protection District Five
Balance Sheet
Governmental Funds
December 31, 2010

	General Fund	Debt Service	Total Governmental Funds
Assets			
Cash & Cash Equivalents	436,023	-	\$ 436,023
Certificates of Deposit (With Maturities Greater than Three Months)	147,929	-	147,929
Taxes Receivable (Net)	744,539	-	744,539
Other Receivable	468	-	468
Utility Deposit	35	-	35
Total Assets	<u>\$ 1,328,994</u>	<u>-</u>	<u>\$ 1,328,994</u>
Liabilities & Fund Balance			
Liabilities:			
Accounts Payable	47,193	-	47,193
Deferred Revenue	36,730	-	36,730
Accrued Payroll Liabilities	4,384	-	4,384
Total Liabilities	<u>88,307</u>	<u>-</u>	<u>88,307</u>
Fund Balance:			
Restricted for Debt Service	-	-	-
Unreserved	1,240,687	-	1,240,687
Total Fund Balance	<u>1,240,687</u>	<u>-</u>	<u>1,240,687</u>
Total Liabilities & Fund Balance	<u>\$ 1,328,994</u>	<u>-</u>	<u>\$ 1,328,994</u>

The accompanying notes are an integral part of these financial statements.

Statement C

Livingston Parish Fire Protection District Five
Balance Sheet
Governmental Funds
December 31, 2009

	General Fund	Debt Service	Total Governmental Funds
Assets			
Cash & Cash Equivalents	\$ 505,854	-	\$ 505,854
Certificates of Deposit (With Maturities Greater than Ninety Days)	146,300	-	146,300
Taxes Receivable (Net)	673,262	-	673,262
Other Receivable	832	-	832
Utility Deposit	35	-	35
Total Assets	<u>\$ 1,326,283</u>	<u>\$ -</u>	<u>\$ 1,326,283</u>
Liabilities & Fund Balance			
Liabilities:			
Accounts Payable	74,849	-	74,849
Deferred Revenue	21,269	-	21,269
Accrued Payroll Liabilities	4,692	-	4,692
Total Liabilities	<u>100,810</u>	<u>-</u>	<u>100,810</u>
Fund Balance:			
Restricted for Debt Service	-	-	-
Unreserved	1,225,473	-	1,225,473
Total Fund Balance	<u>1,225,473</u>	<u>-</u>	<u>1,225,473</u>
Total Liabilities & Fund Balance	<u>\$ 1,326,283</u>	<u>\$ -</u>	<u>\$ 1,326,283</u>

The accompanying notes are an integral part of these financial statements

Statement D

Livingston Parish Fire Protection District Five Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets For the Years Ended December 31, 2010 and 2009

	2010	2009
Total Fund Balances, Governmental Funds	\$ 1,240,687	\$ 1,225,473
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Governmental Capital Assets, net of Accumulated Depreciation	1,503,750	1,421,499
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
Leases Payable - Current Portion	(15,418)	(14,685)
Leases Payable - Long-Term Portion	(51,025)	(66,443)
HME Truck Note - Current Portion	(41,861)	(39,868)
HME Truck Note - Long-Term Portion	(21,709)	(63,518)
Accrued Interest	<u>(812)</u>	<u>(1,096)</u>
Net Assets, Governmental Activities	<u>\$ 2,613,612</u>	<u>\$ 2,461,362</u>

The accompanying notes are an integral part of these financial statements

Livingston Parish Fire Protection District Five
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Debt	Total
	Fund	Service	Governmental
Revenues			Funds
Ad Valorem	748,924	\$ -	\$ 748,924
State Revenue Sharing	77,358	-	77,358
Fund Drive	44,991	-	44,991
Fire Insurance Commission	38,144	-	38,144
Interest Earned	4,859	-	4,859
State Supplemental Pay	17,654	-	17,654
State Grant Revenue	5,000	-	5,000
Homeland Security Reimbursement	27,606	-	27,606
Miscellaneous Revenues	1,765	-	1,765
Total Revenues	966,301	-	966,301
Expenditures			
Current Expenditures:			
Salaries and Wages	180,833	-	180,833
Operating Services	294,519	-	294,519
Professional Services	22,878	-	22,878
Bad Debt Expense	17,516	-	17,516
Supplies	60,856	-	60,856
Miscellaneous	761	-	761
Equipment Rental	496	-	496
Capital Outlay:			
Capital Outlay	310,456	-	310,456
Debt Service:			
Capital Lease Payments	14,685	-	14,685
Note Principal Payments	39,545	-	39,545
Interest	8,542	-	8,542
Total Expenditures	951,087	-	951,087
Excess Revenues over Expenditures	15,214	-	15,214
Net Change in Fund Balance	15,214	-	15,214
Fund Balance, Beginning of Year	1,225,473	-	1,225,473
Fund Balance, End of Year	\$1,240,687	\$ -	\$1,240,687

The accompanying notes are an integral part of these financial statements

Livingston Parish Fire Protection District Five
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Debt	Total
	Fund	Service	Governmental
Revenues			Funds
Ad Valorem	\$ 713,745	\$ 2,084	\$ 715,829
State Revenue Sharing	77,072	-	77,072
Fund Drive	37,907	-	37,907
Fire Insurance Commission	38,141	-	38,141
Interest Earned	7,133	1,377	8,510
State Supplemental Pay	12,050	-	12,050
Homeland Security Reimbursement	124,500	-	124,500
Miscellaneous Revenues	262	-	262
Total Revenues	1,010,810	3,461	1,014,271
Expenditures			
Current Expenditures:			
Salaries and Wages	130,411	-	130,411
Operating Services	320,175	21	320,196
Professional Services	25,923	-	25,923
Bad Debt Expense	18,415	-	18,415
Supplies	20,415	-	20,415
Miscellaneous	850	-	850
Equipment Rental	2,149	-	2,149
Capital Outlay:			
Capital Outlay	260,206	-	260,206
Debt Service:			
Principal	13,987	-	13,987
Bond Principal Payments	-	135,000	135,000
Note Principal Payments	37,970	-	37,970
Interest	10,815	4,174	14,989
Total Expenditures	841,316	139,195	980,511
Other Financing Sources			
Transfers In	13,459	-	13,459
Transfers Out	-	(13,459)	(13,459)
Total Other Financing Sources	13,459	(13,459)	-
Excess Revenues over Expenditures	182,953	(149,193)	33,760
Net Change in Fund Balance	182,953	(149,193)	33,760
Fund Balance, Beginning of Year	1,042,520	149,193	1,191,713
Fund Balance, End of Year	\$ 1,225,473	\$ -	\$ 1,225,473

The accompanying notes are an integral part of these financial statements

Statement F

Livingston Parish Fire Protection District Five
 Reconciliation of the Change in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Total Net Change in Fund Balances, Governmental Funds	\$ 15,214	\$ 33,760
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:		
Capital Outlay	310,456	260,206
Depreciation Expense	(227,794)	(205,073)
Amounts paid to retire debt are reported expenditures. However, in statement of activities, these payments are reductions of liabilities and are not reported on the operating statement.		
Bond Principal	-	135,000
Note Principal	39,545	37,970
Capital Lease Principal	14,685	13,987
Reduction in Accrued Interest	<u>144</u>	<u>2,449</u>
Change in Net Assets, Governmental Activities	<u>\$ 152,250</u>	<u>\$ 278,299</u>

The accompanying notes are an integral part of these financial statements

Basic Financial Statements

Notes to the Financial Statements

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

INTRODUCTION

The Livingston Parish Fire Protection District Five, ("the District"), is a body corporate created by the Livingston Parish Council (formally the Livingston Parish Police Jury), as provided by Louisiana Revised Statutes. The Fire District is governed by a board of five commissioners who are appointed by the Livingston Parish Council.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board, (GASB), is the standard setting body for governmental accounting and reporting. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*. The accompanying financial statements have been prepared in accordance with such principles. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Section 2100 of the GASB Codification, *Defining the Financial Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Livingston Parish Fire Protection District Five is considered a component unit of the Livingston Parish Council (formerly the Livingston Parish Police Jury). As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Livingston Parish Fire Protection District Five. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available as defined above.

Fund Accounting

The Livingston Parish Fire Protection District Five uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The District reports the following governmental funds:

The General Fund: A fund used as the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund. The District also maintains a Debt Service Fund. This fund is used to account for all debt fundings and retirements.

Debt Service Fund: The Debt Service Fund accounts for the accumulation of financial resources for payment of interest and principal on the debt of the District. Upon final payments of the General Obligation Bonds in March of 2009, the Debt Service Fund was eliminated.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Interfund Activity

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Interfund Activity (Continued)

governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Restricted Assets

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The District's investment policy allows the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments for the District are reported at fair market value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible tax.

E. Property Taxes

On July 17, 2004, a special election was held whereby the voters of the Fire Protection District No 5 of Livingston Parish approved the renewal of a 10 year, 9.14 mil ad valorem tax assessed on all property subject to taxation within the district for the purpose of "maintaining, operating and developing the District's fire protection facilities and for purchasing fire trucks and other firefighting equipment." The renewal began with the year 2005 and ends with the year 2014.

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and are actually billed to the taxpayers in November. Billed taxes become

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property Taxes (Continued)

delinquent on January 1 of the following year.

The District's taxes are collected by the Livingston Parish Tax Collector and are remitted to the District monthly.

For the years 2010 and 2009, taxes of 9.14 mills and 11.64 mills were levied on property within the District's boundaries, respectively.

	General Obligations 9.14 Mills	Debt Service 2.50 Mills	Total
2010 Property Tax Assessed	\$748,924	-	\$748,924
2009 Property Tax Assessed	\$713,745	\$2,084	\$715,829

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant and equipment, are reported as governmental activities in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. At December 31, 2010 and 2009, the District did not have a formal capitalization policy establishing a capitalization/expense threshold.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets (Continued)

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Building Improvements	10-40 Years
Furniture and Fixtures	5-10 Years
Vehicles	5-15 Years
Equipment	3-10 Years

H. Compensated Absences

At December 31, 2010 and 2009, the District has no plan or provision for compensated absences, pension plan or other post employment benefits. Vacation time cannot be accumulated and must be taken by the end of the year. There is no provision for leave carry over; therefore, leave accruals are not necessary.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. There are no designations of fund balance reported in 2010 and 2009.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence and beyond the control of management. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence. Neither of these items is present in 2010 or 2009.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

M. Codification

In March 2009, the GASB issued GASB No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards (GASB 56). GASB 56 establishes accounting and financial reporting standards for related party transactions, subsequent events, and going concern considerations. This statement does not establish new accounting standards but rather incorporates the existing guidance into the GASB standards. Effective for the years ending December 31, 2010 and 2009, the District implemented GASB 56. This did not have an impact on the financial statements.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION

The District uses the following budget practices:

1. The Fire Chief prepares a proposed budget and submits it to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all actions necessary to finalize and implement the budget, the budget is adopted through the passage of a resolution prior to the commencement of the fiscal year for which the budget is adopted.

The adopted budget constitutes the authority of the Fire Chief to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

All budget amounts presented in the financial statements have been adjusted for legally authorized revisions of the annual budget during the year. Appropriations, except encumbrances, lapse at the end of each year.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

3. CASH AND CASH EQUIVALENTS

At December 31, 2010 and 2009, the District had cash and cash equivalents (book balances) as follows:

	<u>2010</u>	<u>2009</u>
Demand Deposit	\$ <u>436,023</u>	\$ <u>505,854</u>

For reporting purposes, cash and cash equivalents include cash, demand deposits and time certificates of deposit with maturities of three months or less from the date of acquisition. In addition, the District also holds investments of certificates of deposit with maturities greater than 90 days which are included under the financial statement heading of Certificates of Deposit.

The interest bearing demand deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2010, the District had \$587,779 in deposits (collected bank balances). These deposits are secured from risk by \$101,938 (Category 1) of federal deposit insurance and \$712,429 (Category 3) of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of Section C20 of the GASB Codification, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

4. INVESTMENTS

Investments are categorized into three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name

All investments held by the District fall into Category 1 credit risk, defined as "insured or registered, or securities held by the District or its agent in the District's name." In accordance with Section I50 of the GASB Codification, *Investments*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

At December 31, 2010 and 2009, the District held, as investments, interest bearing certificates of deposit at one

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

4. INVESTMENTS (Continued)

financial institution totaling \$147,929 and \$146,300, respectively. The certificates are secured from risk by \$148,062 (Category 1) of federal deposit insurance. The certificates bear interest rates ranging from .30 percent to 1.14 percent and mature on or before May 15, 2012. The certificates of deposit are not included in cash equivalents at December 31, 2010 and 2009 because their original maturity date is greater than three months. Any penalty for early withdrawal would not have a material effect on the financial statements.

5. RECEIVABLES

The receivables of \$744,789 and \$673,512 at December 31, 2010 and 2009, respectively, are as follows:

	<u>2010</u>	<u>2009</u>
Property Tax Receivable	\$748,710	\$676,026
State Revenue Sharing Receivable	25,786	25,786
Allowance for Doubtful Accounts	<u>(29,957)</u>	<u>(28,550)</u>
Receivables at December 31, (Net)	<u>\$744,539</u>	<u>\$673,262</u>

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable. Bad debt expense for 2010 and 2009 is \$17,516 and \$18,415 respectively.

6. CAPITAL ASSETS

Capital Assets at December 31, 2010, were as follows:

	Balance at January 1, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>2010</u>
Land (not being depreciated)	<u>\$ 67,087</u>	<u>-</u>	<u>-</u>	<u>\$ 67,087</u>

Capital Assets Being Depreciated:

Furniture & Fixtures	23,104	-	-	23,104
Buildings	776,836	23,600	-	800,435
Vehicles	2,180,191	271,872	(96,319)	2,355,744
Equipment	<u>602,933</u>	<u>14,984</u>	<u>(4,072)</u>	<u>613,846</u>
Total	<u>\$3,583,064</u>	<u>\$310,456</u>	<u>\$(100,391)</u>	<u>\$3,793,129</u>

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

6. CAPITAL ASSETS (Continued)

	Balance at January 1 <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>2010</u>
Accumulated Depreciation:				
Furniture & Fixtures	\$ (15,326)	\$ (2,297)	-	\$ (17,623)
Buildings	(215,456)	(20,578)	-	(236,034)
Vehicles	(1,583,941)	(125,237)	96,319	(1,612,859)
Equipment	<u>(413,929)</u>	<u>(79,682)</u>	<u>3,661</u>	<u>(489,950)</u>
Total Accumulated Depreciation	<u>(2,228,652)</u>	<u>(227,794)</u>	<u>99,980</u>	<u>(2,356,466)</u>
Capital Assets Being Depreciated (Net) at December 31, 2010	<u>\$ 1,354,412</u>	<u>\$ 82,662</u>	<u>\$ (411)</u>	<u>\$ 1,436,663</u>
Total Capital Assets	<u>\$ 1,421,499</u>	<u>\$ 82,662</u>	<u>\$ (411)</u>	<u>\$ 1,503,750</u>

Capital Assets at December 31, 2009, were as follows:

	Balance at January 1, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>2009</u>
Land (not being depreciated)	<u>\$ 67,087</u>	<u>-</u>	<u>-</u>	<u>\$ 67,087</u>

Capital Assets Being Depreciated:

Furniture & Fixtures	18,134	4,970	-	23,104
Buildings	618,056	158,780	-	776,836
Vehicles	2,180,191	-	-	2,180,191
Equipment	<u>\$ 506,506</u>	<u>\$ 96,427</u>	<u>-</u>	<u>\$ 602,933</u>
Total	<u>\$3,322,887</u>	<u>\$ 260,177</u>	<u>-</u>	<u>\$3,583,064</u>

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

6. CAPITAL ASSETS (Continued)

	Balance at January 1, 2009	Additions	Deletions	Balance at December 31, 2009
Accumulated Depreciation:				
Furniture & Fixtures	\$ (13,485)	\$ (1,842)	-	\$ (15,327)
Buildings	(197,406)	(18,050)	-	(215,456)
Vehicles	(1,472,267)	(109,584)	-	(1,581,851)
Equipment	(340,420)	(75,598)	-	(416,018)
Total Accumulated Depreciation	(2,023,578)	(205,074)	-	(2,228,652)
Capital Assets Being Depreciated (Net) at December 31, 2009	\$ 1,299,309	\$ 55,103	-	\$ 1,354,412
 Total Capital Assets	 \$ 1,366,396	 \$ 55,103	 -	 \$ 1,421,499

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Section 2300 of the GASB Codification requires the following details about interfund transfers reported in the fund financial statements:

The composition of interfund balances as of December 31, 2010 and 2009 is as follows:

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
Debt Service	General Fund	\$0.00
Total		\$0.00

8. LEASES

Leases are accounted for in accordance with Section L20 of the GASB Codification and NCGA Statement No. 5 which require governments to use the criteria contained in FASB Statement No. 13, *Accounting for Leases*, and GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, to classify lease as capital or operating leases.

On August 10, 2004, the District approved a resolution to lease or purchase a Ferrara Commercial Pumper through Hancock Bank. The lease term is 10 years. The interest rate used to calculate present value is 4.990%.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

8. LEASES (Continued)

The lease payment will remain the same throughout the term of the lease. The gross amount recorded in the Statement of Net Assets for this asset is \$211,722 for 2010 and 2009. The related accumulated depreciation recorded for this asset is \$89,394 at December 31, 2010 and \$75,279 at December 31, 2009.

The following is a schedule by years of the future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2010:

Ferrera Pumper:

Due Date	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 25, 2011	15,418	3,316	18,734
October 25, 2012	16,187	2,546	18,733
October 25, 2013	16,995	1,738	18,733
October 25, 2014**	<u>17,843</u>	<u>890</u>	<u>18,733</u>
	\$ <u>66,443</u>	\$ <u>8,490</u>	\$ <u>74,933</u>

** Final Payment

9. LONG-TERM OBLIGATIONS

On July 17, 1999, a special election was held whereby voters approved the incurring of debt and issuance of bonds in an amount not to exceed \$1,100,000.

On December 31, 1999, the District issued general obligation bonds in the amount of \$1,100,000 for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property, to be used in providing fire protection to the property in the District. The general obligation bonds were retired in full as of March 1, 2009.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

9. LONG-TERM OBLIGATIONS (Continued)

The following is a summary of long term debt transactions of the District for the year ended December 31, 2010:

	1996 HME <u>Ladder</u>	Ferrera Pumper <u>Lease</u>	<u>Total</u>
Principal at January 1, 2010	\$ 103,386	\$ 81,128	\$184,514
Increase in Debt	-	-	-
Principal Paid	<u>(39,816)</u>	<u>(14,685)</u>	<u>(54,501)</u>
Principal Balance at December 31, 2010	<u>\$ 63,570</u>	<u>\$66,443</u>	<u>\$130,013</u>

Future maturities of the 1996 HME Ladder Truck obligation as of December 31, 2010 are as follows:

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	41,861	2,178	44,039
2012	<u>21,709</u>	<u>311</u>	<u>22,020</u>
	\$ <u>63,570</u>	\$ <u>2,489</u>	\$ <u>66,059</u>

In accordance with R.S. 39:562, the Livingston Parish Fire Protection District Five is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property.

10. ON-BEHALF PAYMENTS

Section N50 of the GASB Codification requires governmental employers to disclose the amount recognized in the financial statements for on-behalf payments of salaries and fringe benefits.

Supplementary salary payments are made by the State of Louisiana directly to certain District employees. The District is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is actual contribution made by the State. For the fiscal year ended December 31, 2010 and 2009, the State paid supplemental salaries to the District's employees in the amount of \$17,654 and \$13,600, respectively.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

11. COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75 per day, not to exceed \$1,800 per annum to any one person, plus actual expenses. Per diem payments are as follows:

Board Members Per Diem

James Lieux	\$450
Mark Cheaiers	450
Joe Kaczrowski	495
John Spink	360
Lee Veenendaal	<u>270</u>
	<u>\$2,025</u>

12. CONTINGENT LIABILITIES

The District is currently party to one law suit which it is vigorously defending involving a claim for wrongful termination and reinstatement and back pay. In January 2009, the Court ruled in favor of the District. The former employee filed an appeal but no record has been lodged. Management of the District has concluded, based on the advice of legal counsel, that monetary exposure is not currently determinable given the current ruling and that the appeal has not been lodged.

13. SUBSEQUENT EVENTS

Management has evaluated events through the date that the financial statements were available to be issued, June 30, 2011, and determined that there were no events that require disclosure.

Required Supplemental Information (Part II)

**Statement of Revenues, Expenditures and Changes in Fund
Balance
Budget and Actual
Major Governmental Funds**

Livingston Parish Fire Protection District Five

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Revenues				
Ad Valorem	\$ 650,000	\$ 670,000	\$ 748,924	\$ 78,924
State Revenue Sharing	77,000	77,400	77,358	(42)
Fund Drive	40,000	35,000	44,991	9,991
Fire Insurance Commission	37,000	38,000	38,144	144
Interest Earned	6,500	4,800	4,859	59
State Supplemental Pay	12,000	17,000	17,654	654
Homeland Security Reimbursement	-	27,600	27,606	6
Grant Revenue	-	5,000	5,000	-
Miscellaneous Revenues	500	800	1,765	965
Total Revenues	823,000	875,600	966,301	90,701
Expenditures				
Salaries & Wages	151,500	137,500	180,833	(43,333)
Operating Services	343,000	377,000	294,519	82,481
Professional Services	28,500	23,400	22,878	522
Note Principal Payments	39,700	32,820	39,545	(6,725)
Bad Debt Expense	15,000	18,000	17,516	484
Equipment, Uniforms and Gear	42,000	31,500	62,113	(30,613)
Capital Outlay:				
Capital Outlay	140,000	341,000	310,456	30,544
Debt Service:				
Principal	14,685	14,685	14,685	-
Interest	8,400	7,928	8,542	(614)
Total Expenditures	782,785	983,833	951,087	32,746
Other Financing Sources:				
Transfers In	-	-	-	-
Total Expenditures and Other Financing Sources	782,785	983,833	951,087	32,746
Excess Revenues over Expenditures	40,215	(108,233)	15,214	\$ 123,447
Net Change in Fund Balance	40,215	(108,233)	15,214	
Fund Balance, Beginning of Year	1,225,473	1,225,473	1,225,473	
Fund Balance, End of Year	\$ 1,265,688	\$ 1,117,240	\$ 1,240,687	

Other Reports



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners of
Livingston Parish Fire Protection District Five

We have audited the financial statements of the governmental activities of the Livingston Parish Fire Protection District Five (the District), as of and for the year ended December 31, 2010, which comprise the Livingston Parish Fire Protection District Five's basic financial statements and have issued our report thereon dated June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected in a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Livingston Parish Fire Protection District Five's Board of Commissioners, others within the entity, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Malcolm M. Dienes, L.L.C.

June 30, 2011

Other Supplemental Information

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

We have audited the basic financial statements of Livingston Parish Fire Protection District Five as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2010 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Was a management letter issued? ☐ Yes ☒ No

B. Federal Awards ☒ Not Applicable

Internal Control

Material Weaknesses ☐ Yes ☐ No Significant Deficiencies ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐
For Major Programs Disclaimer ☐ Adverse ☐

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)?
☐ Yes ☐ No

C. Identification of Major Programs: ☒ Not Applicable

CFDA Number(s)

Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs:..... \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
F FOR THE YEAR ENDED DECEMBER 31, 2010**

Section II Financial Statement Findings

NONE

Section III Federal Award Findings and Questioned Costs

NONE

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT FIVE
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL
STATEMENTS**

NONE

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

NONE

SECTION III MANAGEMENT LETTER

NONE